

In the Specification:

Please replace paragraph [0008] with the following amended paragraph:

[0008] Typically, investment accounting system 130 is operated by the management of the investment vehicle into which the premiums have been placed. The premium investment generally is performed at the beginning or end of known periods of time, e.g., daily, monthly, quarterly, yearly, etc. Account system 130 reduces a gross performance value 132, e.g., dollar increase in the value, of each of the at least one investment vehicles the individual policyholder's premium has been invested, by an associated management or administration fee 134, an associated expense fee 136, and an associated performance fee 138. Management or administration fee 134 typically is in the order of one percent of the gross positive increase in the investment value. Expense fee 136, which relates to fixed costs, such as accounting, legal expenses, overhead, etc., is typically 0.5 percent of gross positive increase in investment value and performance fee 138 is typically twenty percent of gross positive increase in investment value after expenses. If there is a negative gain in the performance of the fund, the performance fee 138 is typically zero. However, whether the fund achieves a positive or negative return, the management fee is deducted from the invested funds.

Please replace paragraph [0010] with the following amended paragraph:

[0010] To qualify for the tax favorable treatment of an insurance policy, state and federal regulations require that the net asset value of each of the policies must be substantial substantially the same. This can be difficult to maintain when the value of one policy has a decrease in value because of long-term losses while the value of a second policy has an increase in value because of short-term gains.

Please replace paragraph [0011] with the following amended paragraph:

[0011] Hence, there is a need to provide a straightforward method of determining costs and fees associated with investment management of insurance contracts which considers the short and long term growth or decrease in the investment funds and treats each policy holder [[is]] in the same manner.

Please replace paragraph [0012] with the following amended paragraph:

[0012] A method for administrating life insurance policy value by tracking and reconciling paid premiums and investment returns is disclosed. The method comprising the steps of storing investment data [[on]]in each of at least one investment instrument for which a life insurance premium is invested, determining a first net asset value of each of unit at a first known period, determining a performance return of each of the at least one investment instruments at a second known period, determining a second net asset value at the second known period in relation to the first known period net asset value corresponding to said investment instrument and the investment instrument performance return, determining the first net asset value at the second known period by deducting at least one expense from the second net asset value, determining a performance fee as a known percentage of a change in value of each investment instrument when [[the]] a corresponding investment return is positive; carrying each of said determined performance fees forward; and adjusting the policy value by a number of units corresponding to a change in each of said investment instrument [[value]] values reduced by the corresponding performance fee determined using the first net asset value at a third known period.